

CANADORE COLLEGE**OPERATIONAL POLICY MANUAL**

TITLE: Purchase of Gift Cards and Gift Certificates

EFFECTIVE DATE: January 18, 2023

1. SCOPE

1.1 Authority

This policy is issued under the authority of the President.

1.2 Application

This policy applies to all employees, members of the Board of Governors, volunteers of and all consultants and contractors engaged by, The Canadore College of Applied Arts and Technology (hereafter referred to as “Canadore” or “the College”).

2. PURPOSE AND PRINCIPLES

2.1 The purpose of this policy is to establish guidelines for the purchase and distribution of gift cards, gift certificates and/or prepaid credit cards purchased through College funds.

2.2 This policy provides direction to College employees of the circumstances under which gift cards and gift certificates may be purchased, and provides information of the Canada Revenue Agency (CRA) tax implications to the recipients.

3. POLICY

3.1 Threshold and Levels of Approval:

The maximum value of gift cards and gift certificates purchased for non-employees is \$30.00 per person per event as per the BPS Travel, Meal and Hospitality Directives. All purchases in excess of this limit will require approval by the departmental administrator (Dean/Director) and the Chief Financial Officer or designate prior to the purchase.

The threshold under 3.2.6 for employee long-service awards or other Organizational Development Talent Management (ODTM) recognitions is under ODTM’s authority.

3.2 Allowable purchases of gift cards/certificates:

The purchase is permissible under the following circumstances:

- 3.2.1 For a prize or incentive for participating at a College event if the purchase is not for a specific person or for non-employees;
- 3.2.2 For a volunteer as a thank you for services rendered, excluding college employees, current students, researchers, contractors, or recipients of an honorarium for the same function;
- 3.2.3 In an emergency situation for a student, provided the purchase is completed by Financial Aid;
- 3.2.4 For a prospective student for reimbursement of transportation costs or as an incentive for attending a campus tour;
- 3.2.5 For an eligible expenditure through a funding agreement, as per the established set limit for the funding period; or
- 3.2.6 For a long-service award or anniversary award or retirement gift, provided that the funds are from ODTM's operating budget.

3.3 Tax Implications to Recipients:

- 3.3.1 CRA regulations have specific rules regarding gifts and awards to employees. Gift cards and gift certificates are considered as non-cash and do not have a taxable benefit if the amount does not exceed \$500 per calendar year and the following conditions are met:
 - a) it can only be used to purchase goods or services from a single retailer or a group of retailers identified on the card;
 - b) the terms and conditions of the gift card clearly state that amounts loaded to the card cannot be converted into cash; and
 - c) a log is kept to record gift card information as indicated in the procedure.
- 3.3.2 The purchase of a prepaid card issued by a financial institution is considered as near-cash and is subject to a taxable benefit, regardless of the dollar amount. Therefore, the purchase of near-cash gift certificates or gift cards using College funds as a gift for any employee is prohibited to avoid the complexity of assessing taxable benefits on such items.

- 3.3.3 Any non-cash gift card or gift certificate provided to a non-employee student or volunteer will be considered as a taxable benefit to the recipient if the gift card(s) or gift certificate(s) exceeds \$500.00 per calendar year.

3.4 Recordkeeping, Safekeeping and Acknowledgement of Receipt:

The department who purchases and distributes gift cards and gift certificates is responsible for safekeeping the physical/electronic gift cards and for maintaining records of all gift cards purchased following the associated procedures (PC #48).

4. ROLES AND RESPONSIBILITIES

4.1 The President

The President is responsible for the overall management and operation of the College. The President is to ensure that the policy is implemented, and that compliance is monitored.

4.2 College Chief Financial Officer and Director of Finance

Changes to this policy will be processed through the College's Chief Financial Officer. The Director of Finance will ensure that the standard processes are in place and are adhered to.

4.3 College Departments

- 4.3.1 Department administrators (Dean/Director) are responsible in ensuring that all requests are approved prior to the purchase and that the approval from the Finance Department is obtained if the gift card and gift certificate exceed \$30.00 per unit, as stated in section 3.1.1.

4.3.2 Financial Services is responsible for:

- Ensuring compliance to this policy;
- Approving the purchase of gift cards and gift certificates if the unit cost exceeds \$30.00;
- Collecting, consolidating, and reporting all payments to individuals; and
- Adhering to the tax implications by including the value of the gift card or gift certificate on T4 and T4A forms, if applicable.

5. EVALUATION

This policy shall be reviewed every 3 years, or earlier should legislative changes occur.

6. GOVERNING LAWS AND REGULATIONS

Canada Revenue Agency: [Gifts, awards, and long-service awards](#)

Treasury Board Secretariat (see 7.4 Gift Giving)

[Travel, Meal and Hospitality Expenses Directive 2020](#)